

ORIGINAL

Antonio Gill

Arizona American Water



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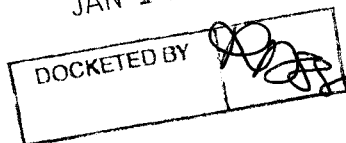
From: BPaluch777@ao
Sent: Friday, December 14, 2011
To: Newman-Web; B
Subject: Water rate increas

W-01303A-09-0343
SW-01303A-09-0343

I will appreciate your replies to the following re the proposed massive rate increase by American Water. I live in Surprise, and will be directly affected by the proposed increase. I am aware that our "leaders" have approved the present agreement, but I sincerely doubt that any of them have considered the following argument against the proposal. To my knowledge, none of those favoring the massive rate increase has spoken to it. We will be paying the water company tens of millions of dollars in compensation for building a facility that we will not own, and that is unnecessary for anticipated growth in the service area. Back in 2007, when the housing market started to collapse, it was advised to mothball the project. It went ahead, anyway. Consider a financial services company that lends money for someone to purchase a home. The company charges a fee (interest) for providing money, with a portion of each payment allocated to the homeowner's account for repayment of the principal, and with the borrower acquiring increasing partial ownership of the home as payments continue. When payments sufficient to retire the mortgage have been made, ownership of the home is then transferred to the borrower (now the homeowner). In the present situation, money that the water company is receiving from customers is partially allocated to retire debt it incurred to build the facility. (Same as a mortgage lender). The product it provides--water-- is something that is owned by the public. The service it provides (which is its' reason for being) is the treatment and delivery of the product. Notwithstanding the fact the company will eventually be completely repaid for money it "advanced" to construct the facility, IT will retain ownership. The customers will be paying for a facility they will never own, to an entity that is delivering something the customers DO own. Why is that any different then a mortgage lender retaining ownership of the property after the mortgage has been repaid? How would THAT situation be rationalized?
Bernard R. Paluch

Arizona Corporation Commission
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Antonio Gill

From: ROBERT RIALS [robrials@msn.com]
Sent: Wednesday, January 11, 2012 6:07 PM
To: Pierce-Web
Cc: ROBERT RIALS; Troy Stratman; John LeSueur
Subject: Corte Bella Town Hall Meeting invitation

Gary,

I have scheduled a Town Hall Meeting in the Corte Bella Social Hall for January 18, 2012.

The subject is the ongoing discussions with APS over the annual Quarter Million dollar agreements signed by Pulte.

The Agenda will be the:

1. Historical Information on Corte Bella's request for information and APS responses.
2. Present Status
3. Corte Bella's Alternatives

The Meeting is scheduled for 6:30 PM and APS has accepted our invitation to attend.

I am extending the invitation to your office, if your schedule permits.

Thank you,
Bob Rials
President - Board of Directors
Corte Bella Country Club Association